

Fiscal Year 2015-16 City Manager's Recommended Budget

**Wilmington City Council
May 19, 2015**

Budget Preparation

- Comprehensive, Inclusive Process
- Department Meetings (Budget Review)
- Department Meetings (Manager Review)
- 4 Council Work Sessions
 - 11/24/14, 2/2/15, 3/16/15, 4/27/15

Budget Development Objectives

- Maintain Core Services
- Support New Transportation Bond Initiative
- Improve and Maintain Infrastructure
- Maintain Strong Financial Position
- Strengthen Partnerships

Budget Fundamentals

- Operating Expenses –
Hold the Line
- Prioritize & Fund Services to Support
Strategic Plan
- New Initiatives Reviewed
Independently
- 2 cents Transportation Bond Projects

Budget Pressures

- Loss of Privilege License Tax (\$2.3M) recurring annual revenue = 2 cents of the tax rate
- Public Safety mid-year increases
- Support for Current 5 Year Plan for Capital Improvement Projects
- Support for Transportation – new bond approved November 2014

Budget Challenges

- Unresolved State Fiscal Issues (sales tax)
- Modest Local Revenue Growth
- Economic Development Support
- Youth Violence/Crime Reduction
- Increasing Operational Costs

Economic Reality

- Recovery continues – increased construction, home sales
- Short-term interest rate increase
- Increase in sales tax revenues

Recommended Budget FY 2015-16

- Total net budget: \$144.1 million
 - General Fund & Enterprise Funds:
 - General Fund \$94.7 million
 - Parking \$ 3.5 million
 - Solid Waste \$ 9.3 million
 - Storm Water \$ 9.6 million
 - Golf course \$ 1.5 million

General Fund Balance

- Budget retains strong fund balance
(anticipated as of June 30, 2016 = \$28,245,399
or 29.8%))
- Savings account well above target -
–Target 15-20%

Recommended Use of Fund Balance FY 2016

- \$1,150,446 recommended from fund balance, for example:
 - WAVE Transit Fund Balance - \$158,000
 - Contract for Tree Removal - \$100,000
 - Purchase of Wheel Loader & Knuckle Boom Truck - \$72,885
 - Consultant for Land Development Code - \$300,000
 - Grant Match Funding - \$100,000

Enterprise Fund Revenues

- Convention Center Parking Deck
 - Increase from \$1 to \$2/hour for the second and third hour, then reverting back to \$1 thereafter
 - The daily maximum rate is increasing from \$11 to \$13
 - Addition of lost ticket charge \$13
 - Addition of \$5 and \$7 fee for events parking
- No other facility rate changes

General Fund Recommended Budget FY 2015-16

	FY 2014-15 Adopted	FY2015-16 Departmental Requests	FY 2015-16 Recommended Budget
Departmental Budgets	71,098,191	78,389,899	74,466,710
Non-Departmental Sundry	7,516,883	8,084,964	7,869,382
Outside Agencies	1,229,983	1,235,063	1,216,243
Economic Incentives	325,000	275,000	332,224
Contingency	100,000	100,000	100,000
Transfer to Debt Service	9,334,832	9,334,832	9,334,832
Transfer to Other Funds	<u>1,528,331</u>	<u>1,067,298</u>	<u>1,388,951</u>
Total Expenditures	91,133,220	98,487,056	94,708,342

Golf – Financial Forecast

Municipal Course – Proposed 10% average increase Inland
Greens – Proposed average \$9.75 rate vs. \$25 Muni

FY 16 small surplus \$94,767

FY 17 shortfall (\$20,595)

FY 18 shortfall (\$49,273)

FY 19 shortfall (\$93,587)

FY 20 shortfall (\$113,069)

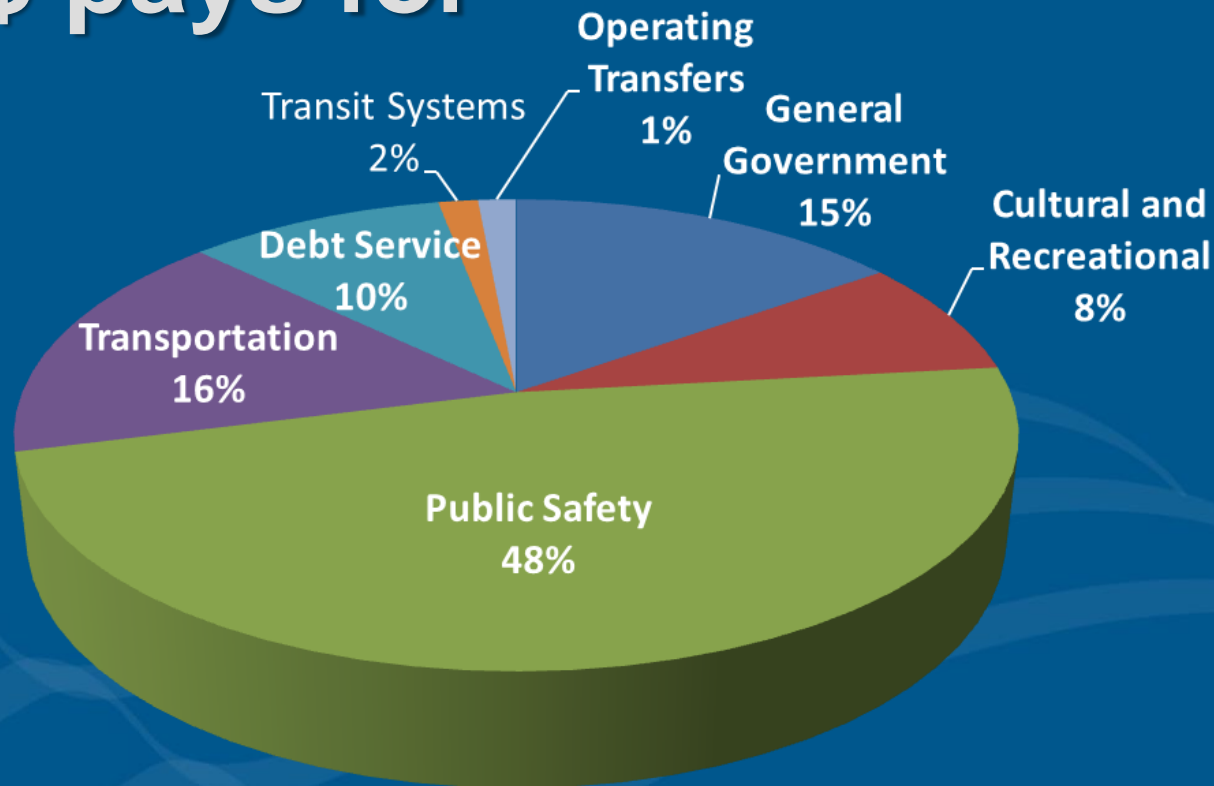
The forecast considers increased operational costs, but no capital purchases

Breakdown of Rounds Played	FY14 Rates	FY15 Rates	Proposed FY 2016
Local Weekday - Walking	17.00	23.00	25.00
Local Weekend - Walking	20.00	27.00	29.00
Local Weekday 9 holes - Walking	12.00	16.00	18.00
Local Weekend 9 holes - Walking	13.00	17.00	19.00
Non Local Weekday - Walking	25.00	28.00	33.00
Non Local Weekend - Walking	28.00	30.00	35.00
Non Local Weekday 9 holes - Walking	18.00	19.00	23.00
Non Local Weekend 9 holes - Walking	19.00	20.00	24.00
Local City Employee Weekday - Walking	8.50	11.50	12.50
Local City Employee Weekend - Walking	10.00	13.50	14.50
Local City Employee Weekday 9 holes - Walking	6.00	8.00	8.50
Local City Employee Weekend 9 holes - Walking	6.50	8.50	9.00
Non Local City Employee Weekday - Walking	12.50	14.00	18.00
Non Local City Employee Weekend - Walking	14.00	15.00	19.00
Non Local City Employee Weekday 9 holes - Walking	9.00	9.50	11.50
Non Local City Employee Weekend 9 holes - Walking	9.50	10.00	12.00
Local Punch Card (15 Rounds) - Walking	n/a	16.00	17.00
Local City Employee Punch Card (15 Rounds) - Walking	n/a	8.00	9.00
Juniors - 18+ holes	10.00	14.00	14.00
Juniors - 9 holes	8.00	8.00	8.00
Golf Cart Rental - 18 holes	12.00	12.00	10.00
Golf Cart Rental - 9 holes	7.00	7.00	5.00

Enterprise Fund Revenues

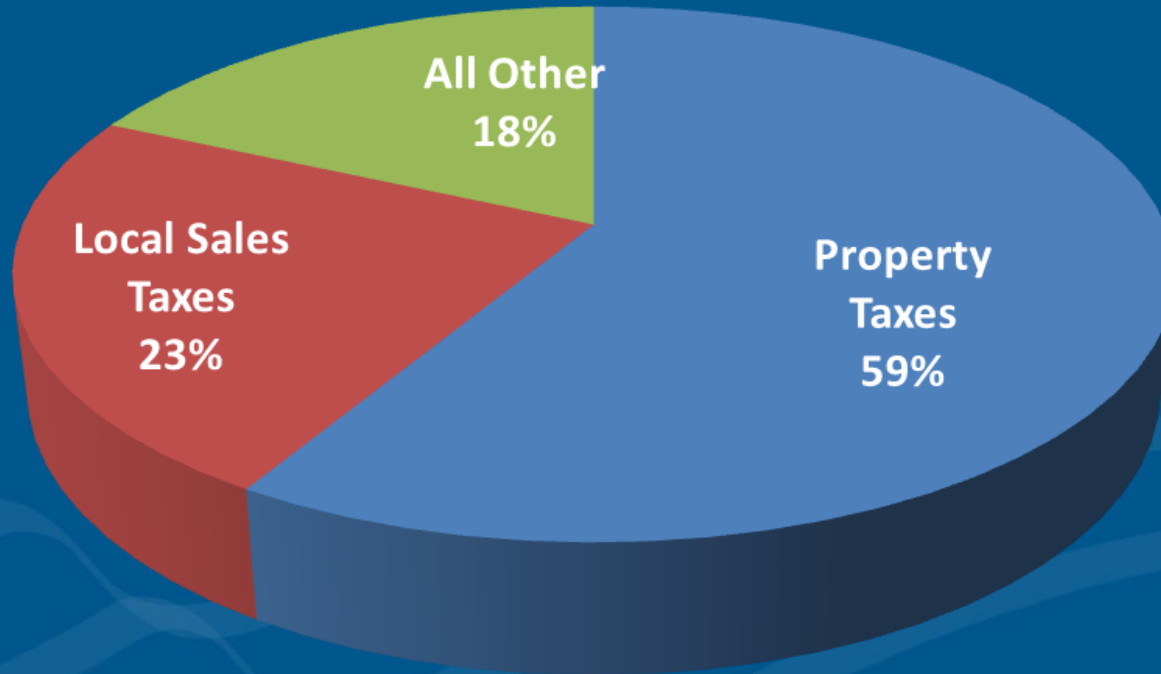
- Solid Waste
 - Activation fee \$25 for all new customer accounts
- Storm Water
- Rate increase of 6%, \$6.83 to \$7.23 per ERU or $\$.40 \times 12 \text{ months} = \4.80 per year for the average homeowner

What \$ pays for



Public safety and debt (infrastructure) will consume 99% of City's property tax collection

Where \$ comes from



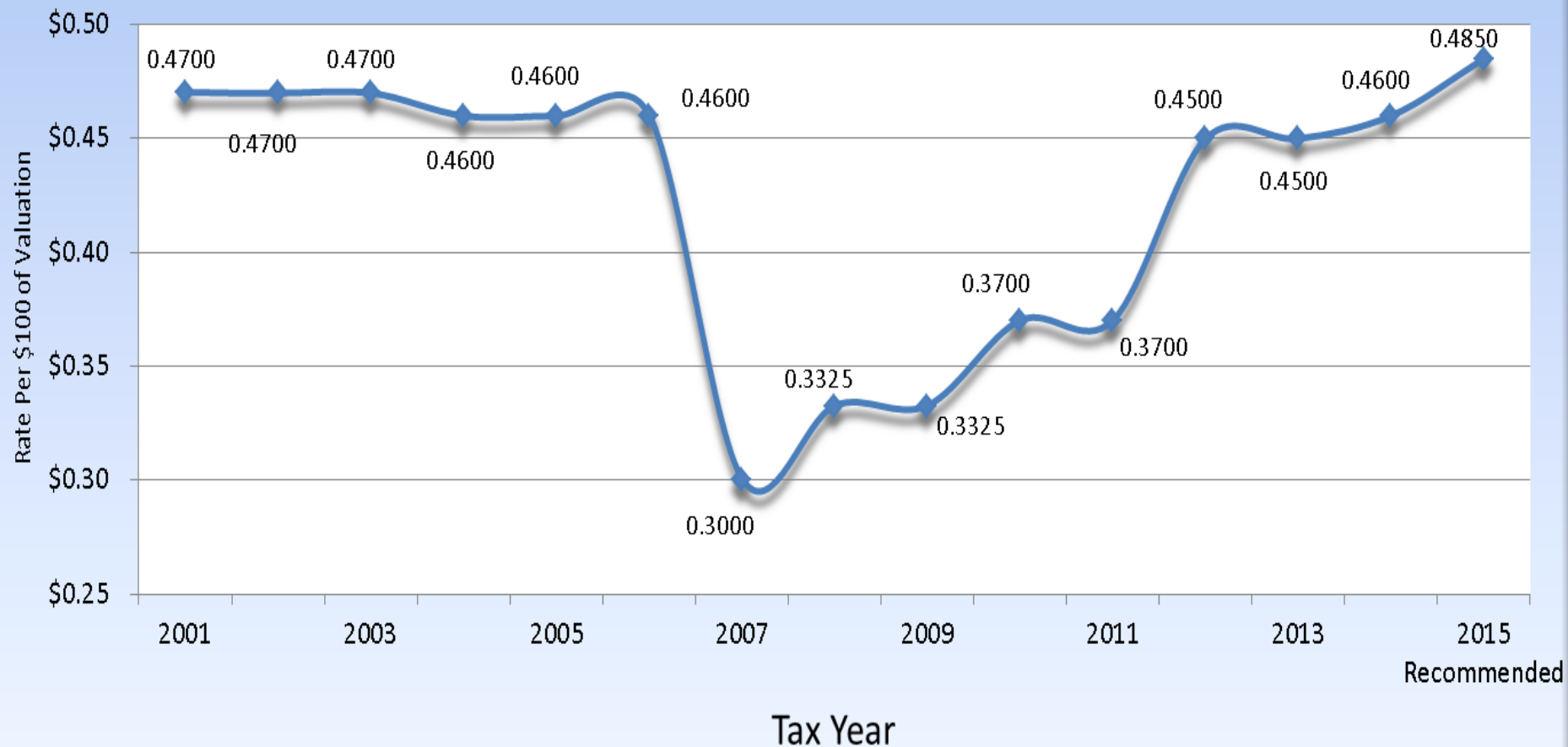
Sales tax and ad valorem revenues increasing as economy rebounds
Business Privilege License Tax Loss

Recommended Budget

Recommendation:

- 2.5 cents total tax increase to 48.5¢ per \$100 assessed value
 - Increase = \$3.51 per month or \$42.13 per year, average home value \$168,000

City of Wilmington Historical Property Tax Rates



Recommended Budget

- Continue Capital Project Funding
 - Dedicates 5¢ to Infrastructure Improvement Plan
 - Streets & Sidewalks
 - Parks & Recreation
 - Public Facilities
- Begin Projects in Transportation Bond
 - Dedicates 2¢ to Streets & Sidewalks Improvement

2014 Transportation Bond Approved Projects \$55M

- Preliminary Timeline 2015
 - Love Grove Access
 - Dawson & Wooster St. Improvements
 - 8th Dawson & 8th Wooster Crosswalks
 - Central College Trail
 - McClelland, Fairlawn, Clover, Gleason Sidewalk Projects
 - Dawson Street (Oleander to Wrightsville Sidewalk Project

2014 Transportation Bond Approved Projects

- Preliminary Timeline 2016
 - Masonboro Loop Trail
 - 23rd Street (Princess Place to Belvedere Sidewalk Project)
 - Five Crosswalks Projects
 - Kerr Ave Trail (Randall Parkway to College)

2014 Transportation Bond Approved Projects

- Preliminary Timeline 2017
 - Oleander Sidewalks
 - Hawthorne to 42nd Street
 - Wooster to Mimosa
 - Pine Grove to College
 - Hurst Road Extension
 - 17th Street Sidewalk Project (Greenfield to Wooster)

2014 Transportation Bond Approved Projects

- Preliminary Timeline 2018
 - Wrightsville Sidewalks
 - Castle to Independence
 - College to Hawthorne
 - 44th to Independence
 - Pine Grove & Greenville Loop Roundabout
 - Pine Grove & Holly Tree Roundabout

2014 Transportation Bond Approved Projects

- Preliminary Timeline 2019
 - Pine Grove at McMillan Intersection Improvements
 - Pine Grove and Oleander Realignment
 - Oleander Sidewalk (Pine Grove to College)
 - Delaney Sidewalk Project (Wellington to Glen Meade)

2014 Transportation Bond Approved Projects

- Preliminary Timeline 2020
 - Carolina Beach Road Streetscape
 - N. Front Street Streetscape
 - Racine at New Centre Turn Lane
 - Greenville Loop Trail
 - Eastwood Road Access Management

Recommended Budget FY 2015-16

- Fleet replacement of vehicles
 - 27 total vehicles
 - 1 Fire truck
- Continue mutual aid, NHC partnerships
 - SABLE Helicopter (non-General Fund)
 - Emergency Operations Center
 - Enhanced safety downtown
 - City-County Fire/Rescue co-response

Recommended Budget FY 2015-16

- Second year of biennial funding of general agencies
- Competitive funding for civic partnership agencies
 - Conversion to multi-year civic partnership support in FY 2017
- Continued funding of Safelight Program
- WAVE Transit operating and fund balance subsidy

Recommended Budget FY 2015-16

- Police community outreach and community engagement efforts
- Funding for youth violence prevention and intervention - summer jobs program
- Affordable Housing programs
- Economic Incentive Agreement payments

Capital Improvement Plan

- FY 2015-16
- No appropriations for already accelerated Streets & Sidewalks, Parks & Recreation, Public Facilities
- Storm Water
 - \$1,000,000 annual drain rehabilitation

Looking ahead

- Completion of Comprehensive Plan of Development – Update of Strategic Plan
- Transportation bond projects
- Continued capital improvement plan
- Continued economic development efforts for jobs & tax base expansion
- Partnerships with NHC and local agencies

City of Wilmington – Suggested Revisions of Focus Areas – Strategic Plan FY 2016-2020

Create a Safe Place

The City will create a safe, inclusive community with neighborhood/area based public safety and support services.

Foster a Prosperous, Thriving Economy

The City will promote opportunity and prosperity by fostering sustainable, regionally coordinated economic growth and development strategies for creating jobs, building a strong workforce, facilitating commerce and business vitality.

Promote Culture, Arts and Public Spaces

The City will provide unique, creative open space, parks and community facilities integrated with arts and cultural activities for all.

Support Efficient Transportation Systems

The City will advocate for, develop and maintain diverse modes of transportation needed for an inclusive, connected community. Greenways, pedestrian and bicycle amenities and a regionally focused multimodal transportation system will increase mobility and regional connectivity.

Engage in Civic Partnerships

The City will build and improve partnerships, collaborations and relationships with all stakeholders, including our citizens and public and private organizations.

Provide Sustainability and Adaptability

The City will protect and preserve our natural resources with quality design for the built environment. The City will make strategic decisions focused on the long-term financial, physical and social health of the entire City to enhance our ability to respond to changing economic and demographic conditions. Our actions will be based on a shared commitment to inclusiveness, equity and continuous improvement.

Public Information

- Available for inspection at:
 - City Manager's Office
 - City Clerk's Office
 - NHC Public Library
 - City Website
 - Highlights on GTV-8

Key Dates

- June 2 Proposed Public Hearing and 1st Reading of Budget
- June 8 Suggested Council work session
- June 16 Budget adoption